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of Junior Secured Noteholders

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re)	
)	Chapter 11
RESIDENTIAL CAPITAL, LLC, <u>et al.</u> ,)	
)	Case No. 12-12020 (MG)
Debtors.)	
)	Jointly Administered

**NOTICE OF AD HOC GROUP OF JUNIOR SECURED NOTEHOLDERS
OF FILING OF INFORMATION PURSUANT TO
CONFIDENTIALITY AGREEMENTS**

PLEASE TAKE NOTICE that on July 26, 2013, certain members of the ad hoc group (the “Ad Hoc Group”) of holders or managers of holders of 9.625% Junior Secured Guaranteed Notes due 2015 (the “Junior Secured Notes”) of Residential Capital, LLC (together with its affiliated debtors in the above-captioned cases, the “Debtors”) entered into

confidentiality agreements with the Debtors, each dated as of July 26, 2013 (such agreements, the “Confidentiality Agreements”).¹

PLEASE TAKE FURTHER NOTICE that in accordance with the Confidentiality Agreements, the Ad Hoc Group is hereby filing a Public Disclosure attached hereto as Exhibit A.

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¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Confidentiality Agreements.

Dated: August 18, 2013
New York, New York

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EXHIBIT A

Public Disclosure

Residential Capital,
LLC

Statement of Limiting Conditions

The presentation contained herein (both historical and projected) is based upon information (the "Information") provided by Residential Capital, LLC (collectively, with its subsidiaries and affiliates, "ResCap" or the "Company") and its advisors. As financial advisor to the trustee of ResCap's 9.625% Junior Secured Guaranteed Notes due 2015 (the "JSNs"), Houlihan Lokey has performed the attached analyses for the sole and exclusive benefit of the trustee and certain holders of the JSNs who participated in mediation meetings with the Debtors (the "Junior Secured Noteholders"). In performing its analyses, Houlihan Lokey relied on the truth, accuracy and completeness of the Information, including any representations of the Company's current management, counsel and advisors, without independent verification. Houlihan Lokey expressly disclaims all responsibility and liability for any misrepresentations or omissions that may be contained herein based on the Information or otherwise. This presentation is preliminary in nature and subject to material adjustments. Houlihan Lokey, the Junior Secured Noteholders and any advisors to the Junior Secured Noteholders make no representations or warranties whatsoever as to the accuracy or completeness of the information contained herein or the correctness or reliability of any views, judgments, analyses or estimates performed or expressed by Houlihan Lokey and expressly disclaim any responsibility and/or liability associated therewith. This presentation is being disclosed solely for the purpose of making public certain analyses prepared by Houlihan Lokey and provided to Junior Secured Noteholders who participated in mediation meetings with the Company. The analyses contained herein are preliminary and for illustrative purposes only and have been prepared solely in Houlihan Lokey's capacity as advisor to the trustee and were not prepared for and may not be used or relied upon by any other party for any purpose whatsoever. These materials shall in no way be considered a solicitation to any party to participate in or support a particular course of action or transaction, including without limitation, any plan of reorganization for the Company, and does not purport to contain all of the information that may be required or relevant to a recipient's evaluation of any transaction; it being understood that recipients shall be responsible for conducting their own investigations and analyses. Moreover, based on further due diligence and consultation with the Company, certain assumptions and information relied upon in developing this presentation may be materially modified, thus resulting in significant changes in the projections and estimates contained herein. Houlihan Lokey, each Junior Secured Noteholder and each advisor to the Junior Secured Noteholders expressly disclaim any and all obligations to update, revise and/or otherwise communicate information contained herein, whether or not a forward looking statement, whether as a result of new information, incompleteness, error, future events or otherwise.

Certain statements in these materials are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Generally, forward looking-statements are not based on historical facts but instead represent only current beliefs and assumptions regarding future events. All forward-looking statements are, by their nature, subject to risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied in such forward-looking statements. Recipients are cautioned not to place any reliance on these forward-looking statements. Forward-looking statements are not guarantees of performance or results and are preliminary and speculative in nature. These forward-looking statements are based on information received from the Company and its advisors and are subject to various risks and uncertainties that may be outside of their control. Any analyses contained herein are only with respect to the date hereof, it being understood that such analyses may differ materially day to day. The information contained herein does not constitute financial advice to any party.

By your receipt of these materials, you agree to be bound by the terms of this Statement of Limiting Conditions.

Dated: August 18, 2013

Residential Capital,
LLC

Intercompany Claims & Estimated Recoveries

*All information contained herein
is subject to the accompanying
Statement of Limiting
Conditions as if incorporated in
full herein by this reference*

- Assuming intercompany claims are allowed, they provide secured recovery to the JSNs in two ways:
 - **Direct:** receivables owed to the JSNs' Issuer/Guarantor entities fall under the all-asset blanket lien and are direct collateral
 - **Indirect:** receivables owed to entities whose equity is pledged to the JSNs increase the value of those equity pledges; since these entities typically have de minimis other liabilities, value distributed from intercompany receivables flows to equity
- The recoveries shown herein assume a \$2.1 billion Ally contribution distributed per the proposed POR
- JSNs collateral is assumed to include \$1.69 billion of Debtor-stipulated secured recovery, \$180 million of cash collateral projected to be used post-April 30 that has not been authorized, \$665 million of adequate protection for the pre-April 30 period recovered pro-rata from available assets at HoldCo, GMACM and RFC, and \$491 million of net going-concern value allocation
 - Intercompany recoveries could be substantially higher/lower depending on the resolution of these and other contested issues
- A summary of the liquidated intercompany claims responsible for direct/indirect secured recovery to the JSNs are shown below:

Intercompany Claims Recovery Value⁽¹⁾ – Based on April 30, 2013 Assets (\$ in millions)

Receiving Entity	Paying Entity	Net Claim ⁽²⁾	Recovery %	Value	JSNs Collateral
Residential Capital, LLC	GMAC Residential Holding Company, LLC	\$ 3,334	0%	\$ 0	Direct
Residential Funding Company, LLC	Residential Capital, LLC	1,955	18%	350	Direct
Homecomings Financial, LLC	Residential Funding Company, LLC	1,252	7%	82	Direct
Passive Asset Transactions, LLC	GMAC Mortgage, LLC	697	0%	-	Indirect
Executive Trustee Services, LLC	GMAC Mortgage, LLC	265	0%	-	Indirect
Residential Funding Company, LLC	RFC Asset Holdings II, LLC	232	10%	24	Direct
Residential Funding Company, LLC	GMAC Mortgage, LLC	140	0%	-	Direct
Remaining Receivables		329	2%	6	Direct
Total		\$ 8,204		\$ 462	
		JSNs' Recovery Source		Value	
		Direct Collateral		\$ 462	
		Indirect Collateral		0	
		Total		\$ 462	
		Net Impact to JSNs' Recovery⁽³⁾		\$ 432	

(1) Summary of liquidated intercompany claims responsible for direct or indirect (through equity pledges) secured recovery value to the JSNs

(2) Any receivables and payables between the same two entities are assumed to be netted for illustrative purposes

(3) Represents the potential net increase to JSNs' secured recovery in this specific recovery scenario; net incremental secured recovery to the JSNs is approximately \$30 million less than the gross amount of intercompany recovery shown, as value otherwise recovered by the JSNs on account of certain equity pledges at lower-tier subsidiaries is transferred to recovery from intercompany claims